REMARKS

The Office Action dated July 21, 2008 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1, 3, 28, and 31, 32, and 35-42 are now pending in this application. Claims 1, 3, 28, and 31-42 stand rejected. Claims 33 and 34 have been canceled.

Applicant and the undersigned wish to thank Examiner Choi for the courtesies he extended in a telephonic interview with Applicant and Michael Anslinger on October 14, 2008. During the interview, the pending Section 103 rejections based on U.S. Patent 7,152,039 to Cheng, et al. (hereinafter referred to as "Cheng") in view of Francis J. Mulhern's "Customer Profitability Analysis: Measurement, Concentration, and Research Directions" (hereinafter referred to as "Mulhern") were discussed. The pending Section 101 rejections were also discussed. No agreement with respect to the claims was reached. This amendment has been made in consequence thereof.

The rejection of Claims 1, 3, 28, and 31-42 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is respectfully traversed. Applicant has amended independent Claim 1 to recite, among other things, a "method for managing marketing using a network-based marketing business system including a server coupled to a database . . . said method comprising . . . creating and storing a plurality of contact relationship levels representative of a customer lifecycle for the framework within the database . . . anticipating in advance and populating the database with a plurality of potential interactions between the business and the contact necessary within each contact relationship level . . . predefining and storing in the database at least one trigger interaction within the plurality of potential interactions that enables movement of the contact . . . assigning and storing in the database a predetermined relative interaction value . . . assigning and storing in the database a predetermined variable cost to each of the plurality of potential interactions . . . measuring progress in relationship development for the contact within each contact relationship level by receiving over a network and recording the consistent contact relationship metrics of interactions, relative interaction value, and interaction variable cost associated with each actual interaction

between the business and the contact in an ongoing interaction record stored in the database on the server . . . continually assigning the contact to a contact relationship level of the plurality of contact relationship levels as each actual interaction is recorded in the database on the server . . . continually updating in the database on the server a cumulative relative interaction value and cumulative variable interaction cost for the contact as each actual interaction occurs within the assigned contact relationship level based on the relative interaction value and variable cost associated with each actual interaction . . . developing an operational data stream in the database on the server. . . running a computer-generated summary report for the contact, the summary report based on the data stream for the contact and transmitted by the server for display on a client system . . . based on the report, making real-time day-to-day decisions and process improvements and analyzing and producing long-term planning by aggregating and correlating the operational interaction flow summaries and patterns with data acquired from other decision support systems and transaction processing systems."

Applicant submits that a method that uses a network-based marketing business system that includes a server and a database configured to store and manipulate such data as a plurality of contact relationship levels, an ongoing interaction record that includes each actual interaction between the business and the contact, and a data stream for the contact qualifies as a Section 101 statutory process by identifying the apparatus that accomplishes the method steps and by defining how the apparatus accomplishes the method steps. Accordingly, Applicant submits that Claim 1 is directed to statutory subject matter in compliance with Section 101.

Claims 33 and 34 have been canceled. Claims 3, 28, 31, 32, and 35-42 depend from independent Claim 1. When the recitations of Claims 3, 28, 31, 32, and 35-42 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claims 3, 28, 31, 32, and 35-42 likewise are directed to statutory subject matter in compliance with Section 101.

For at least the reasons set forth above, Applicant respectfully requests that the Section 101 rejection of Claims 1, 3, 28, and 31-42 be withdrawn.

The rejection of Claims 1, 33, and 36-42 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent 7,152,039 to Cheng, et al. (hereinafter referred to as "Cheng") in view of Francis J. Mulhern's "Customer Profitability Analysis: Measurement, Concentration, and Research Directions" (hereinafter referred to as "Mulhern") is respectfully traversed.

Initially, Applicant respectfully submits that neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests Applicant's claimed invention. Applicant's claimed invention establishes a unifying framework to facilitate managing contacts, such as customers and/or potential customers, during acquisition, closing, and retention on a continuum across the entire customer lifecycle. Moreover, Applicant's claimed invention establishes consistent contact relationship metrics, and describes a deliberate, systematic process that uses the unifying framework and metrics to build profitable customer relationships and to execute strategy. Managing business marketing is facilitated by measuring and managing the development of the customer relationship, individual customer by individual customer. Planning is linked to operational execution by tracking actual results in executing a planned strategy, selected for implementation. Further, real-time decision making and process improvements are facilitated for business agents dealing immediately with customers and business performance evaluations are facilitated for executives.

Moreover, Cheng and Mulhern both merely describe methods for planning and segmentation, but do not describe nor suggest methods for planning to enable strategy execution or to link planning to strategy execution. Rather, Cheng and Mulhern use passive historical data, looking backward, instead of preparing to create and creating new operational data, looking forward, in an active, operational relationship tracking system. In contrast, Applicant's claimed invention anticipates the data necessary to measure and manage development of a customer relationship in order to execute a business strategy, looking forward, and then creates new operational data and uses the newly created operational data in an active operational relationship tracking system. Real-time analysis of such a data stream gives immediate feedback to the business and enables real-time management according to bottom-up control of incremental progress on strategies. Moreover, frontline staff may

observe what is happening with a given contact and how their progress with that contact compares and contrasts with summaries and patterns from other contacts to make better and/or more profitable decisions in real time as the staff develops the relationship with that contact. Managers may also make interim adjustments for continuous improvement to the database of potential interactions, wherein interactions found to be unproductive may be removed from the system, or potentially productive new interactions may be added to the system. For long-term planning purposes, managers may identify long-term productive patterns in the operational data and aggregate and correlate the operational data with data from other decision support and/or transaction processing systems, including data utilized by, for example, Cheng and Mulhern.

Further, both Cheng and Mulhern describe a relationship, its value, and interactions only in financial terms. In contrast, Applicant's claimed invention defines a relationship as being the result of an exchange of interactions between the parties, and defines a predetermined relative interaction value as a measure of the effectiveness of the interaction in moving the relationship forward or backward along a customer lifecycle. For example, according to Applicant's claimed invention, the relative interaction value may be small for relatively minor interactions, such as sending an email to a contact within an Acquisition phase, or may be much larger for more significant interactions, such as participating in an event that a business stages for its most loyal customers. As defined in Applicant's original specification, interactions are more than simply financial transactions. Rather, interactions include a broad range of exchanges over an entire lifecycle to enable acquiring and retaining customers in order to execute a business strategy. The interaction or interactions that trigger the movement of a contact from one contact relationship level to another contact relationship level, or from one marketing phase to another marketing phase, is predefined. For example, the interaction of agreeing to a meeting may move a contact from the Acquisition phase to the Closing phase, or the interaction of giving a referral may move the contact from one contact relationship level to another contact relationship level within the Retention phase.

Applicant submits that neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests managing the development of a customer relationship

across the continuum of acquisition, closing, and retention to facilitate development of profitable customer relationships and strategy execution in real time for business decision making and process improvement. Neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests a method to link planning to strategy execution. Moreover, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests deliberately anticipating and then creating a new stream of operational data for day-to-day operational use by frontline staff to measure their progress in developing a relationship with a single customer, or aggregating the data streams of the individual customers, wherein the aggregated data stream may be used in later analysis and long-term planning. More specifically, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests assigning and storing in a database a predetermined relative interaction value based on the anticipated interaction's relative impact and relationship enhancement capabilities to each of a plurality of potential interactions between a business and a contact, wherein the relative interaction value measures interaction effectiveness and facilitates determining ongoing progress in developing a relationship between the business and the contact.

Moreover, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests receiving over the network and recording the consistent contact relationship metrics of interactions, relative interaction value, and interaction variable cost associated with each actual interaction between the business and the contact in an ongoing interaction record stored in a database on the server. Further, none of the cited art, considered alone or in combination, describes or suggests developing an operational data stream in the database on the server for the contact to track a cause and effect relationship between the recorded actual interactions and the corresponding relative interaction value of each recorded actual interaction, and to track the corresponding variable cost of each recorded actual interaction.

In addition, neither Cheng nor Mulhern, considered alone or in combination, describes or suggests continually assigning the contact to a contact relationship level as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of a trigger interaction that is required for movement by the contact between contact relationship levels occurs. Further,

neither Cheng nor Mulhern, considered alone or in combination, describes or suggests continually updating in a database on the server the amount of relative interaction value and variable interaction costs accumulating for the contact as each interaction occurs within the contact relationship level based on the relative interaction value and the variable cost associated with each actual interaction.

Cheng describes a method of categorizing a customer into a lifecycle stage. However, the method described by Cheng is only concerned with the retention phase of the customer lifecycle; the acquisition and closing phases are ignored. One or more customers are first selected for categorization according to one or more customer selection parameters such as a customer market segment, a customer category, a customer operating unit, geography, and/or an operating period. A lifecycle measure is then selected from stored customer transaction data relating to the customer's history with the company. Lifecycle measures are aggregate financial measures of such numbers as a total number of orders placed by the customer, a total number of items purchased by the customer, or a total amount of revenue received by the company from the customer. First and second lifecycle calculation periods are then selected. A particular customer is then categorized by evaluating whether each of the lifecycle measures is true when compared between the first and second lifecycle calculation periods. Cheng's method is a variation of an RFM analysis (or recency, frequency, monetary analysis, that is, how recently did a customer purchase, how frequently, and for what amount), which is used for revenue segmentation for planning purposes. Cheng uses historical data.

Mulhern describes a conceptual and methodological foundation for measuring customer profitability by generalizing approaches to measuring customer lifetime value in direct marketing for broader target marketing applications. Measuring customer profit requires data on individual customer purchases and variable marketing costs over a period of time. Customer profitability measurement components include a specification of customers. Customers are divided into customer units which are then analyzed for profitability. Alternatively, groups of customer units may be aggregated and the profitability analysis completed for the aggregate. Customers may also be divided into, for example, existing or

prospective customers and/or active or inactive customers. Mulhern's purpose in measuring customer profitability is for profit segmentation for planning activities, based on historical data and/or on assumptions.

Mulhern also notes that a profitability analysis also requires a specification of an applicable level of products and/or services to further refine the profit segmentation. For example, a computer manufacturer could do separate analyses for mainframes, workstations, and desktop systems. Similarly, a profitability analysis may be completed using an applicable organization level. For example, a computer software company could compute the profitability of customers at the level of its own sales territories, local sales offices, regional sales offices, or the nation level. Moreover, customers can be evaluated for profitability based on present purchase behavior or on an anticipated future stream of purchases, predicted by evaluating the purchase behavior of similar customers in the past.

Moreover, Mulhern describes that once the measurement specifications described above have been established, a structural profitability model is constructed. One such profitability planning model is the standard customer lifetime value approach. This model applies to situations in which future purchases are forecasted and profitability is estimated by discounting future cash flows and variable costs to the present value. Such a model is appropriate when future purchase and cost streams can be accurately forecast at an individual customer level. When lifetime analysis is irrelevant or when accurate projections of purchases cannot be made, a historical profitability analysis may be performed. Mulhern relies on forecasted estimates or historical data for planning purposes. Mulhern does not describe or suggest a method to execute the plan.

Mulhern further notes that a fully developed profitability model features the assignment of variable costs to customers. However, Mulhern does not describe nor suggest a method to collect this data at an individual customer level based on the actual interactions with that customer. Rather, Mulhern relies on historical data and suggests allocating the historical variable costs, which means that the total amount of variable costs are divided evenly among the customers. When variable costs cannot be allocated, less complete formulations may be used that assign costs to market segments, or variable costs may be

collapsed into fixed costs. Mulhern notes that more sophisticated customer databases contain data relating to the costs for marketing communications and other customer-specific variable costs. Moreover, Mulhern describes merely matching variable marketing costs to revenue streams of customers as valuable information for marketing decisions, which is a very high-level analysis used for groups of customers, and not actual operational data matched with individual customers as Applicant's invention does. In most cases, fixed costs are not allocated to customers. More typically, acquisition costs are not directly assigned to individual customers. Thus, the only possible allocation is to apply an average cost to all customers, which lowers each customer's computed profitability by a constant factor and leaves the relative profitability of each customer unchanged. In such instances, Mulhern disregards such acquisition costs during a profitability analysis. As such, typically profitability models are "closed" in that the value of a customer, in terms of future profitability, is assumed to exist independent of marketing actions. Mulhern therefore describes a more advanced form of profitability analysis that uses a recursive model and includes response coefficients that account for effects of marketing efforts on customer profit. The method described by Mulhern, which either leaves out variable acquisition costs or uses a recursive model to estimate them, is not the same as collecting actual variable acquisition cost data measured at an interaction level as this invention does to update strategy decision models. Moreover, Mulhern's method does not describe nor suggest creating an operational data stream for use in day-to-day implementation of strategy across the marketing phases of acquisition, closing, and retention. Rather, Mulhern focuses on planning and segmentation for targeting purposes.

Claim 1 recites a method for managing marketing using a network-based marketing business system including a server coupled to a database in order to measure and manage a development of a relationship between a business and a contact. The method includes "creating a unifying framework to manage contact Acquisition, Closing, and Retention as a continuum; creating consistent contact relationship metrics across the unifying framework to measure progress in relationship development; establishing a deliberate, systematic process using the unifying framework and metrics to develop relationships and execute strategy, wherein the framework, metrics, and process are stored in the database on the server; creating

and storing a plurality of contact relationship levels representative of a customer lifecycle for the framework within the database, wherein each contact relationship level is assigned to at least one of a plurality of marketing phases including Acquisition, Closing, and Retention; anticipating in advance and populating the database with a plurality of potential interactions between the business and the contact necessary within each contact relationship level to execute a predetermined strategy to develop the relationship between the business and the contact; predefining and storing in the database at least one trigger interaction within the plurality of potential interactions that enables movement of the contact from a first contact relationship level of the plurality of contact relationship levels to a second relationship level of the plurality of relationship levels and from a first marketing phase to a second marketing phase; assigning and storing in the database a predetermined relative interaction value based on an anticipated relative impact and relationship enhancement capabilities of each of the plurality of potential interactions between the business and the contact, the relative interaction value serving as a basis of measuring interaction effectiveness and progress in developing the relationship between the business and the contact; assigning and storing in the database a predetermined variable cost to each of the plurality of potential interactions between the business and the contact; measuring progress in relationship development for the contact within each contact relationship level by receiving over a network and recording the consistent contact relationship metrics of interactions, relative interaction value, and interaction variable cost associated with each actual interaction between the business and the contact in an ongoing interaction record stored in the database on the server, wherein each actual interaction has an associated relative interaction value and variable cost; continually assigning the contact to a contact relationship level of the plurality of contact relationship levels as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of what constitutes the at least one trigger interaction required for movement of the contact between contact relationship levels occurs; continually updating in the database on the server a cumulative relative interaction value and cumulative variable interaction cost for the contact as each actual interaction occurs within the assigned contact relationship level based on the relative interaction value and variable cost associated with each actual interaction; developing

an operational data stream in the database on the server for the contact, wherein the data stream tracks a cause and effect relationship between the recorded actual interactions and the corresponding relative interaction value of each recorded actual interaction and tracks the variable cost of each recorded actual interaction; running a computer-generated summary report for the contact the summary report based on the data stream for the contact and transmitted by the server for display on a client system, wherein the report includes operational interaction flow summaries and patterns; and based on the report, making real-time day-to-day decisions and process improvements and analyzing and producing long-term planning by aggregating and correlating the operational interaction flow summaries and patterns with data acquired from other decision support systems and transaction processing systems."

Neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests a method for managing marketing, as recited in Claim 1. More specifically, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests assigning and storing in a database a predetermined relative interaction value based on an anticipated relative impact and relationship enhancement capabilities of each of the plurality of potential interactions between a business and a contact, wherein the relative interaction value serves as a basis of measuring interaction effectiveness and progress in developing a relationship between a business and the contact. Moreover, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests measuring progress in relationship development for the contact within each contact relationship level by receiving over a network and recording a set of consistent contact relationship metrics of interactions, relative interaction value, and an interaction variable cost associated with each actual interaction between the business and the contact in an ongoing interaction record stored in the database on the server. Further, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests continually assigning the contact to a contact relationship level as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of a trigger interaction that is required for movement of the contact between contact relationship levels occurs.

In addition, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests continually updating in the database on the server a cumulative relative interaction value and a cumulative variable interaction cost for the contact as each actual interaction occurs within the assigned contact relationship level based on the relative interaction value and the variable cost associated with each actual interaction. Further, neither Cheng nor Mulhern, considered alone or in combination, describes nor suggests running a computer-generated summary report based on the data stream for the contact and transmitted by the server for display on a client system, wherein the report includes operational interaction flow summaries and patterns that enable operators of the system to make real-time day-to-day decisions and process improvements and that enable managers to analyze and produce long-term planning that includes aggregating and correlating the operational flow summaries and patterns with data acquired from other decision support systems and transaction processing systems.

Rather, Cheng describes categorizing a customer into a lifecycle stage for revenue segmentation purposes in the retention phase by evaluating, using only historical financial data, whether each of a number of chosen lifecycle measures are true when compared between first and second lifecycle calculation periods, and Mulhern describes a method for planning purposes to estimate future profitability of customer groups to justify spending money in the near term by improving product or service performance, changing prices, and/or conducting targeted marketing to facilitate later purchases by all customers, wherein groups of customers are segmented according to profitability and past customer behaviors are analyzed in order to determine further offers and/or products to present to customers within group of customers.

Applicant respectfully traverses the Examiner's assertion at page 5 of the Office Action that Cheng describes "assigning a relative interaction value that relates to progress in developing a relationship between a business and each contact of a plurality of contacts . . . [Column 4, lines 4-6, Column 5, lines 28-30]...." Rather, Applicant submits that Cheng describes measuring lifetime totals for a customer of new orders, lifetime totals of earlier purchases, and lifetime totals of revenue realized by a company from sales to a customer.

These measures are end state measures of financial transactions, not the interaction flow in an ongoing process across acquisition, closing, and retention phases to develop a relationship or to understand what happened in the "relationship" within a contact relationship level or to achieve movement from one contact relationship level to another. Moreover, these measures do not measure, for example, the relative interaction value of an email compared to a loyal customer participating in an event. In addition, Applicant submits that Cheng does not describe nor suggest assigning and storing in a database a predetermined relative interaction value based on the anticipated interaction's relative impact and relationship enhancement capabilities to each of a plurality of potential interactions between a business and a contact, wherein the relative interaction value measures interaction effectiveness and facilitates determining progress in developing a relationship between a business and the contact.

Further, Applicant respectfully traverses the Examiner's assertion at page 5 of the Office Action that Cheng describes "recording each actual interaction between the business and each contact . . . in an ongoing interaction record . . . [Column 4, lines 6-13]...." Rather, Applicant submits that at Column 4, lines 6-13, Cheng merely describes defining a particular lifecycle measurement of financial transactions, using totals related to a customer, such as a total number of orders by the customer, a total number of items purchased, and a total amount of money received by the company through sales to the customer. As such, Applicant submits that Cheng does not describe nor suggest recording each actual interaction between the business and the contact in an ongoing interaction record, such as the interactions that carry out the implementation of a selected strategy to develop the relationship before purchase, during purchase, and after purchase in the acquisition, closing, and retention phases respectively.

Additionally, Applicant respectfully traverses the Examiner's assertion at page 6 of the Office Action that Cheng describes "assigning each contact of the plurality of contacts to a contact relationship level of the plurality of contact relationship levels as each actual interaction is recorded . . . [Column 4, lines 29-33]...." Rather, at Column 4, lines 29-33, Cheng actually describes categorizing a customer into a lifecycle segment based only on whether which of a plurality of categorization criteria is true. Moreover, Applicant submits

that Cheng does not describe nor suggest continually assigning a contact to a contact relationship level as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of a trigger condition that is required for movement of the contact between contact relationship levels occurs.

Accordingly, for at least the reasons set forth above, Claim 1 is submitted to be patentable over Cheng in view of Mulhern.

Claim 33 has been canceled. Claims 36-42 depend from independent Claim 1. When the recitations of Claims 36-42 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claims 36-42 likewise are patentable over Cheng in view of Mulhern.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claims 1, 33, and 36-42 be withdrawn.

The rejection of Claims 28, 31, 32, 34, and 35 under 35 U.S.C. § 103(a) as being unpatentable over Cheng and Mulhern, and further in view of U.S. Patent 6,334,110 to Walter, et al. (hereinafter referred to as "Walter") is respectfully traversed.

Cheng and Mulhern are described above. Walter describes a method for analyzing customer behavior based on the time when those behaviors occur. Each transaction at a point-of-service (POS) device, such as a cash register (105) or a kiosk (110), is tagged with the time it was made. An in-store processor (140) sends the informational tags from each POS device to a central office (150). A data warehouse (210) is kept at the central office (150) and includes a repository of information including the transaction info sent from the in-store processor (140) and information on advertising offers (218) made to a targeted temporal virtual community (222) and reactions (220) to the offer (218) made by the temporal virtual community (222). Segment-specific advertising campaigns are created (330) using the data warehouse (210). When a customer interacts (340) through one of a number of channels of

trade, statistics are gathered and analyzed (350) to determine the effectiveness of the advertising campaign.

Claim 1 is recited above. None of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests a method for managing marketing, as recited in Claim 1. More specifically, none of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests assigning and storing in a database a predetermined relative interaction value based on an anticipated relative impact and relationship enhancement capabilities of each of the plurality of potential interactions between a business and a contact, wherein the relative interaction value serves as a basis of measuring interaction effectiveness and progress in developing a relationship between a business and the contact. Moreover, none of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests measuring progress in relationship development for the contact within each contact relationship level by receiving over a network and recording a set of consistent contact relationship metrics of interactions, relative interaction value, and an interaction variable cost associated with each actual interaction between the business and the contact in an ongoing interaction record stored in the database on the server. Further, none of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests continually assigning the contact to a contact relationship level as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of a trigger interaction that is required for movement of the contact between contact relationship levels occurs.

In addition, none of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests continually updating in the database on the server a cumulative relative interaction value and a cumulative variable interaction cost for the contact as each actual interaction occurs within the assigned contact relationship level based on the relative interaction value and the variable cost associated with each actual interaction. Further, none of Cheng, Mulhern, and Walter, considered alone or in combination, describes nor suggests running a computer-generated summary report based on the data stream for the contact and transmitted by the server for display on a client system, wherein the report includes

operational interaction flow summaries and patterns that enable operators of the system to make real-time day-to-day decisions and process improvements and that enable managers to analyze and produce long-term planning that includes aggregating and correlating the operational flow summaries and patterns with data acquired from other decision support systems and transaction processing systems.

Rather, Cheng describes categorizing a customer into a lifecycle stage for revenue segmentation purposes in the retention phase by evaluating, using only historical financial data, whether each of a number of chosen lifecycle measures is true when compared between first and second lifecycle calculation periods. Mulhern describes a method for planning purposes to estimate future profitability of customer groups to justify spending money in the near term by improving product or service performance, changing prices, and/or conducting targeted marketing to facilitate later purchases by all customers, wherein groups of customers are segmented according to profitability and past customer behaviors are analyzed in order to determine further offers and/or products to present to customers within each group of customers. Walter describes merely describes a method for analyzing customer behavior based on the time when those behaviors occur, wherein predictive modeling based on past purchases is used to determine, for example, additional items a customer is likely to purchase.

Accordingly, for at least the reasons set forth above, Claim 1 is submitted to be patentable over Cheng and Mulhern, and further in view of Walter.

Claim 34 has been canceled. Claims 28, 31, 32, and 35 depend from independent Claim 1. When the recitations of Claims 28, 31, 32, and 35 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claims 28, 31, 32, and 35 likewise are patentable over Cheng and Mulhern, and further in view of Walter.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claims 28, 31, 32, 34, and 35 be withdrawn.

The rejection of Claim 3 under 35 U.S.C. § 103(a) as being unpatentable over Cheng and Mulhern, and further in view of U.S. Patent 6,236,975 to Boe, et al. (hereinafter referred to as "Boe") is respectfully traversed.

Cheng and Mulhern are described above. Boe describes a targeted marketing method that allows customers to change their profiles to suite what offers they would prefer to receive. A customer is provided with a number of customer questions (136), and the answers to the questions are stored. The customer is then provided (138) with a feedback page that graphically illustrates data associated with the customer's standing in a selected peer group. The customer is provided with options allowing the customer to adjust the customer's actual demographic to a hypothetical demographic such that the data associated with the hypothetical demographic changes entered by the customer are stored (146) and processed. A set of hypothetical feedback information is then displayed that graphically illustrates the hypothetical standing of the customer within the selected peer group such that the customer can see the effect of the hypothetical demographic changes in terms of future hypothetical offers that may be made to the customer by virtue of being a member of the altered demographic group.

Claim 1 is recited above. None of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests a method for managing marketing, as recited in Claim 1. More specifically, none of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests assigning and storing in a database a predetermined relative interaction value based on an anticipated relative impact and relationship enhancement capabilities of each of the plurality of potential interactions between a business and a contact, wherein the relative interaction value serves as a basis of measuring interaction effectiveness and progress in developing a relationship between a business and the contact. Moreover, none of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests measuring progress in relationship development for the contact within each contact relationship level by receiving over a network and recording a set of consistent contact relationship metrics of interactions, relative interaction value, and an interaction variable cost associated with each actual interaction between the business and the contact in an ongoing interaction record

stored in the database on the server. Further, none of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests continually assigning the contact to a contact relationship level as each actual interaction is recorded in the database on the server such that the assigned contact relationship level remains the same until the predefined definition of a trigger interaction that is required for movement of the contact between contact relationship levels occurs.

In addition, none of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests continually updating in the database on the server a cumulative relative interaction value and a cumulative variable interaction cost for the contact as each actual interaction occurs within the assigned contact relationship level based on the relative interaction value and the variable cost associated with each actual interaction. Further, none of Cheng, Mulhern, and Boe, considered alone or in combination, describes nor suggests running a computer-generated summary report based on the data stream for the contact and transmitted by the server for display on a client system, wherein the report includes operational interaction flow summaries and patterns that enable operators of the system to make real-time day-to-day decisions and process improvements and that enable managers to analyze and produce long-term planning that includes aggregating and correlating the operational flow summaries and patterns with data acquired from other decision support systems and transaction processing systems.

Rather, Cheng describes categorizing a customer into a lifecycle stage for revenue segmentation purposes in the retention phase by evaluating, using historical financial data, whether each of a number of chosen lifecycle measures is true when compared between first and second lifecycle calculation periods. Mulhern describes a method for planning purposes to estimate future profitability of customer groups to justify spending money in the near term by improving product or service performance, changing prices, and/or conducting targeted marketing to facilitate later purchases by all customers, wherein groups of customers are segmented according to profitability and past customer behaviors are analyzed in order to determine further offers and/or products to present to customers within each group of customers. Boe describes a method for profiling customers for targeted marketing that allows

customers to change their profiles to suite what offers they would hypothetically prefer to receive.

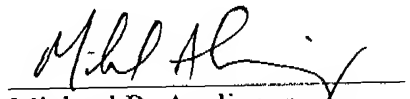
Accordingly, for at least the reasons set forth above, Claim 1 is submitted to be patentable over Cheng and Mulhern, and further in view of Boe.

Claim 3 depends from independent Claim 1. When the recitations of Claim 3 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claim 3 likewise is patentable over Cheng and Mulhern, and further in view of Boe.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claim 3 be withdrawn.

In view of the foregoing amendment and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully submitted,



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